

**Announcement of Advanced Prices and Pricing Factors for October 2008 1/ 2/**

Release Date: September 23, 2008

Base Skim Milk Price for Class I 3/:	\$9.76	(per hundredweight)
Advanced Class III Skim Milk Pricing Factor:	\$9.71	(per hundredweight)
Advanced Class IV Skim Milk Pricing Factor:	\$9.76	(per hundredweight)
Advanced Butterfat Pricing Factor 4/:	\$1.7451	(per pound)
Class II Skim Milk Price:	\$10.46	(per hundredweight)
Class II Nonfat Solids Price:	\$1.1622	(per pound)
Two-week Product Price Averages:		
Butter	\$1.6125	(per pound)
Nonfat Dry Milk	\$1.2628	(per pound)
Cheese	\$1.7279	(per pound)
Dry Whey	\$0.2241	(per pound)
Special information for Appalachian and Southeast:		
Diesel Fuel Price	\$4.018	(per gallon)
Mileage Rate Factor	\$0.00496	(per cwt. per mile)

1/ See Price Formulas by going to [www.ams.usda.gov/DairyMarketStatistics](http://www.ams.usda.gov/DairyMarketStatistics); then select "Prices"; and then select "Price Formulas - 2008".

**2/ The manufacturing allowances and butterfat yield factor used to compute the Federal order minimum advance Class I and Class II prices and pricing factors in this announcement, as well as future Class I and Class II prices and pricing factors, and Federal order minimum prices for Class III and Class IV milk marketed on or after October 1, 2008, will be the revised manufacturing allowances and butterfat yield factor contained in the Interim Final Rule published in the Federal Register July 31, 2008 (73 FR 44617).**

3/ Higher of advanced Class III or IV skim milk pricing factors. The Class I skim milk price equals this price plus applicable Class I differential.

4/ The Class I butterfat price equals this price plus (applicable Class I differential divided by 100).

**Note:** The Class I price equals ( Class I skim milk price times 0.965 ) plus ( Class I butterfat price times 3.5 ), rounded to the nearest cent.

**For information only:** The Class I base price is:           \$15.53  
(Sometimes referred to as the Class I mover, it equals (base skim milk price for Class I times 0.965) plus (advanced butterfat pricing factor times 3.5).)

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